

AMENDMENT NO. _____ Calendar No. _____

Purpose: To make a technical correction.

IN THE SENATE OF THE UNITED STATES—110th Cong., 1st Sess.

S. 2191

To direct the Administrator of the Environmental Protection Agency to establish a program to decrease emissions of greenhouse gases, and for other purposes.

Referred to the Committee on _____ and
ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by _____

Viz:

1 Strike title II and insert the following:

2 **TITLE II—**_____

3 **Subtitle A—Trading**

4 **SEC. 2101. SALE, EXCHANGE, AND RETIREMENT OF EMIS-**
5 **SION ALLOWANCES.**

6 Except as otherwise provided in this Act, the lawful
7 holder of an emission allowance may sell, exchange, trans-
8 fer, submit for compliance in accordance with section
9 1202, or retire the emission allowance.

1 **SEC. 2102. NO RESTRICTION ON TRANSACTIONS.**

2 The privilege of purchasing, holding, selling, exchang-
3 ing, and retiring emission allowances shall not be re-
4 stricted to the owners and operators of covered facilities.

5 **SEC. 2103. ALLOWANCE TRANSFER SYSTEM.**

6 (a) IN GENERAL.—Not later than 18 months after
7 the date of enactment of this Act, the Administrator shall
8 promulgate regulations to carry out the provisions of this
9 Act relating to emission allowances, including regulations
10 providing that the transfer of emission allowances shall
11 not be effective until such date as a written certification
12 of the transfer, signed by a responsible official of each
13 party to the transfer, is received and recorded by the Ad-
14 ministrator in accordance with those regulations.

15 (b) TRANSFERS.—

16 (1) IN GENERAL.—The regulations promulgated
17 under subsection (a) shall permit the transfer of al-
18 lowances prior to the issuance of the allowances.

19 (2) DEDUCTION AND ADDITION OF TRANS-
20 FERS.—A recorded pre-allocation transfer of allow-
21 ances shall be—

22 (A) deducted by the Administrator from
23 the number of allowances that would otherwise
24 be distributed to the transferor; and

25 (B) added to those allowances distributed
26 to the transferee.

1 **SEC. 2104. ALLOWANCE TRACKING SYSTEM.**

2 The regulations promulgated under section 2103(a)
3 shall include a system for issuing, recording, and tracking
4 emission allowances that shall specify all necessary proce-
5 dures and requirements for an orderly and competitive
6 functioning of the emission allowance system.

7 **Subtitle B—Banking**

8 **SEC. 2201. INDICATION OF CALENDAR YEAR.**

9 An emission allowance submitted to the Adminis-
10 trator by the owner or operator of a covered facility in
11 accordance with section 1202(a) shall not be required to
12 indicate in the identification number of the emission allow-
13 ance the calendar year for which the emission allowance
14 is submitted.

15 **SEC. 2202. EFFECT OF TIME.**

16 The passage of time shall not, by itself, cause an
17 emission allowance to be retired or otherwise diminish the
18 compliance value of the emission allowance.

19 **Subtitle C—Borrowing**

20 **SEC. 2301. REGULATIONS.**

21 (a) IN GENERAL.—Not later than 3 years after the
22 date of enactment of this Act, the Administrator shall pro-
23 mulgate regulations under which, subject to subsection
24 (b), the owner or operator of a covered facility may—

25 (1) borrow emission allowances from the Ad-
26 ministrator; and

1 (2) for a calendar year, submit borrowed emis-
2 sion allowances to the Administrator in satisfaction
3 of up to 15 percent of the compliance obligation
4 under section 1202(a).

5 (b) LIMITATION.—An emission allowance borrowed
6 under subsection (a) shall be an emission allowance estab-
7 lished by the Administrator for a specific future calendar
8 year under subsection 1201(a).

9 **SEC. 2302. TERM.**

10 The owner or operator of a covered facility shall not
11 submit, and the Administrator shall not accept, a bor-
12 rowed emission allowance in partial satisfaction of the
13 compliance obligation under section 1202(a) for any cal-
14 endar year that is more than 5 years earlier than the cal-
15 endar year included in the identification number of the
16 borrowed emission allowance.

17 **SEC. 2303. REPAYMENT WITH INTEREST.**

18 For each borrowed emission allowance submitted in
19 partial satisfaction of the compliance obligation under sub-
20 section 1202(a) for a particular calendar year (referred
21 to in this section as the use year), the number of emission
22 allowances that the owner or operator is required to sub-
23 mit under section 1202(a) for the year from which the
24 borrowed emission allowance was taken (referred to in this

1 section as the source year) shall be increased by an
2 amount equal to the product obtained by multiplying—
3 (1) 1.1; and
4 (2) the number of years beginning after the use
5 year and before the source year.

6 **Subtitle D—Offsets**

7 **SEC. 2401. OUTREACH INITIATIVE ON REVENUE ENHANCE-** 8 **MENT FOR AGRICULTURAL PRODUCERS.**

9 (a) ESTABLISHMENT.—The Secretary of Agriculture,
10 acting through the Chief of the Natural Resources Con-
11 servation Service, the Chief of the Forest Service, the Ad-
12 ministrator of the Cooperative State Research, Education,
13 and Extension Service, and land-grant colleges and univer-
14 sities, in consultation with the Administrator and the
15 heads of other appropriate departments and agencies,
16 shall establish an outreach initiative to provide informa-
17 tion to agricultural producers, agricultural organizations,
18 foresters, and other landowners about opportunities under
19 this subtitle to earn new revenue.

20 (b) COMPONENTS.—The initiative under this sec-
21 tion—

22 (1) shall be designed to ensure that, to the
23 maximum extent practicable, agricultural organiza-
24 tions and individual agricultural producers, for-

1 esters, and other landowners receive detailed prac-
2 tical information about—

3 (A) opportunities to earn new revenue
4 under this subtitle;

5 (B) measurement protocols, monitoring,
6 verifying, inventorying, registering, insuring,
7 and marketing offsets under this title;

8 (C) emerging domestic and international
9 markets for energy crops, allowances, and off-
10 sets; and

11 (D) local, regional, and national databases
12 and aggregation networks to facilitate achieve-
13 ment, measurement, registration, and sales of
14 offsets;

15 (2) shall provide—

16 (A) outreach materials, including the hand-
17 book published under subsection (c), to inter-
18 ested parties;

19 (B) workshops; and

20 (C) technical assistance; and

21 (3) may include the creation and development
22 of regional marketing centers or coordination with
23 existing centers (including centers within the Nat-
24 ural Resources Conservation Service or the Coopera-

1 tive State Research, Education, and Extension Serv-
2 ice or at land-grant colleges and universities).

3 (c) HANDBOOK.—

4 (1) IN GENERAL.—Not later than 2 years after
5 the date of enactment of this Act, the Secretary of
6 Agriculture, in consultation with the Administrator
7 and after an opportunity for public comment, shall
8 publish a handbook for use by agricultural pro-
9 ducers, agricultural cooperatives, foresters, other
10 landowners, offset buyers, and other stakeholders
11 that provides easy-to-use guidance on achieving, re-
12 porting, registering, and marketing offsets.

13 (2) DISTRIBUTION.—The Secretary of Agri-
14 culture shall ensure, to the maximum extent prac-
15 ticable, that the handbook—

16 (A) is made available through the Internet
17 and in other electronic media;

18 (B) includes, with respect to the electronic
19 form of the handbook described in subpara-
20 graph (A), electronic forms and calculation
21 tools to facilitate the petition process described
22 in section 2404; and

23 (C) is distributed widely through land-
24 grant colleges and universities and other appro-
25 priate institutions.

1 **SEC. 2402. ESTABLISHMENT OF DOMESTIC OFFSET PRO-**
2 **GRAM.**

3 (a) ALTERNATIVE MEANS OF COMPLIANCE.—Begin-
4 ning with calendar year 2012, the owner or operator of
5 a covered entity may satisfy 15 percent of the total allow-
6 ance submission requirement of the covered entity under
7 section 1202(a) by submitting offset allowances generated
8 in accordance with this subtitle.

9 (b) REGULATIONS REQUIRED.—Not later than 18
10 months after the date of enactment of this Act, the Ad-
11 ministrator, in conjunction with the Secretary of Agri-
12 culture, shall promulgate regulations authorizing the
13 issuance and certification of offset allowances from certain
14 agricultural, forestry, and other land use-related projects
15 undertaken within the United States, and certain other
16 projects identified by the Administrator under section
17 2403(b)(4), including provisions that—

18 (1) ensure that those offsets represent real,
19 verifiable, additional, permanent, and enforceable re-
20 ductions in greenhouse gas emissions or increases in
21 biological sequestration;

22 (2) specify the types of offset projects eligible
23 to generate offset allowances, in accordance with
24 section 2403;

25 (3) establish procedures for project initiation
26 and approval, in accordance with section 2404;

1 (4) establish procedures to monitor, quantify,
2 and discount reductions in greenhouse gas emissions
3 or increases in biological sequestration, in accord-
4 ance with subsections (d) through (g) of section
5 2404;

6 (5) establish procedures for verification, reg-
7 istration, and issuance of offset allowances, in ac-
8 cordance with section 2405;

9 (6) ensure permanence of offsets by mitigating
10 and compensating for reversals, in accordance with
11 section 2406; and

12 (7) assign a unique serial number to each offset
13 allowance issued under this section.

14 (c) OFFSET ALLOWANCES AWARDED.—The Adminis-
15 trator shall issue offset allowances for qualifying emission
16 reductions and biological sequestrations from offset
17 projects that satisfy the applicable requirements of this
18 subtitle.

19 (d) OWNERSHIP.—Initial ownership of an offset al-
20 lowance shall lie with a project developer, unless otherwise
21 specified in a legally-binding contract or agreement.

22 (e) TRANSFERABILITY.—An offset allowance gen-
23 erated pursuant to this subtitle may be sold, traded, or
24 transferred, on the conditions that—

1 (1) the offset allowance has not expired or been
2 retired or canceled; and

3 (2) liability and responsibility for mitigating
4 and compensating for reversals of registered offset
5 allowances is specified in accordance with section
6 2406(b).

7 **SEC. 2403. ELIGIBLE AGRICULTURAL AND FORESTRY OFF-**
8 **SET PROJECT TYPES.**

9 (a) IN GENERAL.—Offset allowances from agricul-
10 tural, forestry, and other land use-related projects shall
11 be limited to those allowances achieving an offset of 1 or
12 more greenhouse gases by a method other than a reduc-
13 tion of combustion of greenhouse gas-emitting fuel.

14 (b) CATEGORIES OF ELIGIBLE AGRICULTURAL, FOR-
15 ESTRY, AND OTHER LAND USE-RELATED PROJECTS.—
16 Subject to the requirements promulgated pursuant to sec-
17 tion 2402(b), the types of operations eligible to generate
18 offset allowances under this subtitle include—

19 (1) agricultural and rangeland sequestration
20 and management practices, including—

21 (A) altered tillage practices;

22 (B) winter cover cropping, continuous
23 cropping, and other means to increase biomass
24 returned to soil in lieu of planting followed by
25 fallowing;

1 (C) conversion of cropland to rangeland or
2 grassland, on the condition that the land has
3 been in nonforest use for at least 10 years be-
4 fore the date of initiation of the project;

5 (D) reduction of nitrogen fertilizer use or
6 increase in nitrogen use efficiency;

7 (E) reduction in the frequency and dura-
8 tion of flooding of rice paddies; and

9 (F) reduction in carbon emissions from or-
10 ganic soils;

11 (2) changes in carbon stocks attributed to land
12 use change and forestry activities limited to—

13 (A) afforestation or reforestation of acre-
14 age not forested as of October 18, 2007; and

15 (B) forest management resulting in an in-
16 crease in forest stand volume;

17 (3) manure management and disposal, includ-
18 ing—

19 (A) waste aeration; and

20 (B) methane capture and combustion;

21 (4) subject to the requirements of this subtitle,
22 any other terrestrial offset practices identified by the
23 Administrator, including—

24 (A) the capture or reduction of noncovered
25 fugitive emissions;

1 (B) methane capture and combustion at
2 nonagricultural facilities; and

3 (C) other actions that result in the avoid-
4 ance or reduction of greenhouse gas emissions
5 in accordance with section 2402; and

6 (5) combinations of any of the offset practices
7 described in paragraphs (1) through (4).

8 (c) EXCLUSION.—A project participating in a Fed-
9 eral, State, or local cost-sharing, competitive grant, or
10 technical assistance program shall not be eligible to gen-
11 erate offset allowances under this subtitle.

12 **SEC. 2404. PROJECT INITIATION AND APPROVAL.**

13 (a) PROJECT APPROVAL.—A project developer—

14 (1) may submit a petition for offset project ap-
15 proval at any time following the effective date of
16 regulations promulgated under section 2402(b); but

17 (2) may not register or issue offset allowances
18 until such approval is received and until after the
19 emission reductions or sequestrations supporting the
20 offset allowances have actually occurred.

21 (b) PETITION PROCESS.—Prior to offset registration
22 and issuance of offset allowances, a project developer shall
23 submit a petition to the Administrator, consisting of—

1 (1) a copy of the monitoring and quantification
2 plan prepared for the offset project, as described
3 under subsection (d);

4 (2) a greenhouse gas initiation certification, as
5 described under subsection (e); and

6 (3) subject to the requirements of this subtitle,
7 any other information identified by the Adminis-
8 trator in the regulations promulgated under section
9 2402 as necessary to meet the objectives of this sub-
10 title.

11 (c) APPROVAL AND NOTIFICATION.—

12 (1) IN GENERAL.—Not later than 180 days
13 after the date on which the Administrator receives a
14 complete petition under subsection (b), the Adminis-
15 trator shall—

16 (A) determine whether the monitoring and
17 quantification plan satisfies the applicable re-
18 quirements of this subtitle;

19 (B) determine whether the greenhouse gas
20 initiation certification indicates a significant de-
21 viation in accordance with subsection (e)(3);

22 (C) notify the project developer of the de-
23 terminations under subparagraphs (A) and (B);
24 and

1 (D) issue offset allowances for approved
2 projects.

3 (2) APPEAL.—The Administrator shall establish
4 mechanisms for appeal and review of determinations
5 made under this subsection.

6 (d) MONITORING AND QUANTIFICATION.—

7 (1) IN GENERAL.—A project developer shall
8 make use of the standardized tools and methods de-
9 scribed in this section to monitor, quantify, and dis-
10 count reductions in greenhouse gas emissions or in-
11 creases in sequestration.

12 (2) MONITORING AND QUANTIFICATION
13 PLAN.—A monitoring and quantification plan shall
14 be used to monitor, quantify, and discount reduc-
15 tions in greenhouse gas emissions or increases in se-
16 questration as described by this subsection.

17 (3) PLAN COMPLETION AND RETENTION.—A
18 monitoring and quantification plan shall be—

19 (A) completed for all offset projects prior
20 to offset project initiation; and

21 (B) retained by the project developer for
22 the duration of the offset project.

23 (4) PLAN REQUIREMENTS.—Subject to section
24 2402, the Administrator, in conjunction with the
25 Secretary of Agriculture, shall specify the required

1 components of a monitoring and quantification plan,
2 including—

3 (A) a description of the offset project, in-
4 cluding project type;

5 (B) a determination of accounting periods;

6 (C) an assignment of reporting responsi-
7 bility;

8 (D) the contents and timing of public re-
9 ports, including summaries of the original data,
10 as well as the results of any analyses;

11 (E) a delineation of project boundaries,
12 based on acceptable methods and formats;

13 (F) a description of which of the moni-
14 toring and quantification tools developed under
15 subsection (f) are to be used to monitor and
16 quantify changes in greenhouse gas fluxes or
17 carbon stocks associated with a project;

18 (G) a description of which of the standard-
19 ized methods developed under subsection (g) to
20 be used to determine additionality, estimate the
21 baseline carbon, and discount for leakage;

22 (H) based on the standardized methods
23 chosen in subparagraphs (F) and (G), a deter-
24 mination of uncertainty in accordance with sub-
25 section (h);

1 (I) what site-specific data, if any, will be
2 used in monitoring, quantification, and the de-
3 termination of discounts;

4 (J) a description of procedures for use in
5 managing and storing data, including quality-
6 control standards and methods, such as redun-
7 dancy in case records are lost; and

8 (K) subject to the requirements of this
9 subtitle, any other information identified by the
10 Administrator or the Secretary of Agriculture
11 as being necessary to meet the objectives of this
12 subtitle.

13 (e) GREENHOUSE GAS INITIATION CERTIFI-
14 CATION.—

15 (1) IN GENERAL.—In reviewing a petition sub-
16 mitted under subsection (b), the Administrator shall
17 seek to exclude each activity that undermines the in-
18 tegrity of the offset program established under this
19 subtitle, such as the conversion or clearing of land,
20 or marked change in management regime, in antici-
21 pation of offset project initiation.

22 (2) GREENHOUSE GAS INITIATION CERTIFI-
23 CATION REQUIREMENTS.—A greenhouse gas initi-
24 ation certification developed under this subsection
25 shall include—

1 (A) the estimated greenhouse gas flux or
2 carbon stock for the offset project for each of
3 the 4 complete calendar years preceding the ef-
4 fective date of the regulations promulgated
5 under section 2402(b); and

6 (B) the estimated greenhouse gas flux or
7 carbon stock for the offset project, averaged
8 across each of the 4 calendar years preceding
9 the effective date of the regulations promul-
10 gated under section 2402(b).

11 (3) DETERMINATION OF SIGNIFICANT DEVI-
12 ATION.—Based on standards developed by the Ad-
13 ministrator, in conjunction with the Secretary of Ag-
14 riculture—

15 (A) each greenhouse gas initiation certifi-
16 cation submitted pursuant to this section shall
17 be reviewed; and

18 (B) a determination shall be made as to
19 whether, as a result of activities or behavior in-
20 consistent with the purposes of this title, a sig-
21 nificant deviation exists between the average
22 annual greenhouse gas flux or carbon stock and
23 the greenhouse gas flux or carbon stock for a
24 given year.

1 (4) ADJUSTMENT FOR PROJECTS WITH SIGNIFI-
2 CANT DEVIATION.—In the case of a significant devi-
3 ation, the Administrator shall adjust the number of
4 allowances awarded in order to account for the devi-
5 ation.

6 (f) DEVELOPMENT OF MONITORING AND QUAN-
7 TIFICATION TOOLS FOR AGRICULTURAL AND FORESTRY
8 PROJECTS.—

9 (1) IN GENERAL.—Subject to section 2402(b),
10 the Administrator, in conjunction with the Secretary
11 of Agriculture, shall develop standardized tools for
12 use in the monitoring and quantification of changes
13 in greenhouse gas fluxes or carbon stocks for each
14 offset project type listed under section 2403(b).

15 (2) TOOL DEVELOPMENT.—The tools used to
16 monitor and quantify changes in greenhouse gas
17 fluxes or carbon stocks shall, for each project type,
18 include applicable—

19 (A) statistically-sound field and remote
20 sensing sampling methods, procedures, tech-
21 niques, protocols, or programs;

22 (B) models, factors, equations, or look-up
23 tables; and

1 (C) any other process or tool considered to
2 be acceptable by the Administrator, in conjunc-
3 tion with the Secretary of Agriculture.

4 (g) DEVELOPMENT OF ACCOUNTING AND DIS-
5 COUNTING METHODS.—

6 (1) IN GENERAL.—The Administrator, in con-
7 sultation with the Secretary of Agriculture, shall—

8 (A) develop standardized methods for use
9 in accounting for additionality and uncertainty,
10 estimating the baseline, and discounting for
11 leakage for each offset project type listed under
12 section 2403(b); and

13 (B) require that leakage be subtracted
14 from reductions in greenhouse gas emissions or
15 increases in sequestration attributable to a
16 project.

17 (2) ADDITIONALITY DETERMINATION AND
18 BASELINE ESTIMATION.—The standardized methods
19 used to determine additionality and establish base-
20 lines shall, for each project type, at a minimum—

21 (A) in the case of a sequestration project,
22 determine the greenhouse gas flux and carbon
23 stock on comparable land identified on the basis
24 of—

1 (i) similarity in current management
2 practices;

3 (ii) similarity of regional, State, or
4 local policies or programs; and

5 (iii) similarity in geographical and bio-
6 physical characteristics;

7 (B) in the case of an emission reduction
8 project, use as a basis emissions from com-
9 parable land or facilities; and

10 (C) in the case of a sequestration project
11 or emission reduction project, specify a selected
12 time period.

13 (3) LEAKAGE.—The standardized methods used
14 to determine and discount for leakage shall, at a
15 minimum, take into consideration—

16 (A) the scope of the offset system in terms
17 of activities and geography covered;

18 (B) the markets relevant to the offset
19 project;

20 (C) emission intensity per unit of produc-
21 tion, both inside and outside of the offset
22 project; and

23 (D) a time period sufficient in length to
24 yield a stable leakage rate.

1 (h) UNCERTAINTY FOR AGRICULTURAL AND FOR-
2 ESTRY PROJECTS.—

3 (1) IN GENERAL.—The Administrator, in con-
4 junction with the Secretary of Agriculture, shall de-
5 velop standardized methods for use in determining
6 and discounting for uncertainty for each offset
7 project type listed under section 2403(b).

8 (2) BASIS.—The standardized methods used to
9 determine and discount for uncertainty shall be
10 based on—

11 (A) the robustness and rigor of the meth-
12 ods used by a project developer to monitor and
13 quantify changes in greenhouse gas fluxes or
14 carbon stocks;

15 (B) the robustness and rigor of methods
16 used by a project developer to determine
17 additionality and leakage; and

18 (C) an exaggerated proportional discount
19 that increases relative to uncertainty, as deter-
20 mined by the Administrator, in conjunction
21 with the Secretary of Agriculture, to encourage
22 better measurement and accounting.

23 (i) ACQUISITION OF NEW DATA AND REVIEW OF
24 METHODS FOR AGRICULTURAL AND FORESTRY

1 PROJECTS.—The Administrator, in conjunction with the
2 Secretary of Agriculture, shall—

3 (1) establish a comprehensive field sampling
4 program to improve the scientific bases on which the
5 standardized tools and methods developed under this
6 section are based; and

7 (2) review and revise the standardized tools and
8 methods developed under this section, based on—

9 (A) validation of existing methods, proto-
10 cols, procedures, techniques, factors, equations,
11 or models;

12 (B) development of new methods, proto-
13 cols, procedures, techniques, factors, equations,
14 or models;

15 (C) increased availability of field data or
16 other datasets; and

17 (D) any other information identified by the
18 Administrator, in conjunction with the Sec-
19 retary of Agriculture, that is necessary to meet
20 the objectives of this subtitle.

21 (j) EXCLUSION.—No activity for which any emission
22 allowances are received under subtitle G of title III shall
23 generate offset allowances under this subtitle.

1 **SEC. 2405. OFFSET VERIFICATION AND ISSUANCE OF AL-**
2 **LOWANCES FOR AGRICULTURAL AND FOR-**
3 **ESTRY PROJECTS.**

4 (a) IN GENERAL.—Offset allowances may be claimed
5 for net emission reductions or increases in sequestration
6 annually, after accounting for any necessary discounts in
7 accordance with section 2404, by submitting a verification
8 report for an offset project to the Administrator.

9 (b) OFFSET VERIFICATION.—

10 (1) SCOPE OF VERIFICATION.—A verification
11 report for an offset project shall—

12 (A) be completed by a verifier accredited in
13 accordance with paragraph (3); and

14 (B) shall be developed taking into consider-
15 ation—

16 (i) the information and methodology
17 contained within a monitoring and quan-
18 tification plan;

19 (ii) data and subsequent analysis of
20 the offset project, including—

21 (I) quantification of net emission
22 reductions or increases in sequestra-
23 tion;

24 (II) determination of
25 additionality;

26 (III) calculation of leakage;

1 (IV) assessment of permanence;
2 (V) discounting for uncertainty;
3 and
4 (VI) the adjustment of net emis-
5 sion reductions or increases in seques-
6 tration by the discounts determined
7 under clauses (II) through (V); and
8 (iii) subject to the requirements of
9 this subtitle, any other information identi-
10 fied by the Administrator as being nec-
11 essary to achieve the purposes of this sub-
12 title.

13 (2) VERIFICATION REPORT REQUIREMENTS.—

14 The Administrator shall specify the required compo-
15 nents of a verification report, including—

- 16 (A) the quantity of offsets generated;
17 (B) the amount of discounts applied;
18 (C) an assessment of methods (and the ap-
19 propriateness of those methods);
20 (D) an assessment of quantitative errors or
21 omissions (and the effect of the errors or omis-
22 sions on offsets);
23 (E) any potential conflicts of interest be-
24 tween a verifier and project developer; and

1 (F) any other provision that the Adminis-
2 trator considers to be necessary to achieve the
3 purposes of this subtitle.

4 (3) VERIFIER ACCREDITATION.—

5 (A) IN GENERAL.—Not later than 18
6 months after the date of enactment of this Act,
7 the Administrator shall promulgate regulations
8 establishing a process and requirements for ac-
9 creditation by a third-party verifier that has no
10 conflicts of interest.

11 (B) PUBLIC ACCESSIBILITY.—Each verifier
12 meeting the requirements for accreditation in
13 accordance with this paragraph shall be listed
14 in a publicly-accessible database, which shall be
15 maintained and updated by the Administrator.

16 (c) REGISTRATION AND AWARDING OF OFFSETS.—

17 (1) IN GENERAL.—Not later than 90 days after
18 the date on which the Administrator receives a com-
19 plete petition required under section 2404(b), the
20 Administrator shall—

21 (A) determine whether the offsets satisfy
22 the applicable requirements of this subtitle; and

23 (B) notify the project developer of that de-
24 termination.

1 (2) AFFIRMATIVE DETERMINATION.—In the
2 case of an affirmative determination under para-
3 graph (1), the Administrator shall—

4 (A) register the offset allowances in ac-
5 cordance with this subtitle; and

6 (B) issue the offset allowances.

7 (3) APPEAL AND REVIEW.—The Administrator
8 shall establish mechanisms for the appeal and review
9 of determinations made under this subsection.

10 **SEC. 2406. TRACKING OF REVERSALS FOR SEQUESTRATION**
11 **PROJECTS.**

12 (a) REVERSAL CERTIFICATION.—

13 (1) IN GENERAL.—Subject to section 2402, the
14 Administrator shall promulgate regulations requiring
15 the submission of a reversal certification for each
16 offset project on an annual basis following the reg-
17 istration of offset allowances.

18 (2) REQUIREMENTS.—A reversal certification
19 submitted in accordance with this subsection shall
20 state—

21 (A) whether any unmitigated reversal re-
22 lating to the offset project has occurred in the
23 year preceding the year in which the certifi-
24 cation is submitted; and

1 (B) the quantity of each unmitigated re-
2 versal.

3 (b) EFFECT ON OFFSET ALLOWANCES.—

4 (1) INVALIDITY.—The Administrator shall de-
5 clare invalid all offset allowances issued for any off-
6 set project that has undergone a complete reversal.

7 (2) PARTIAL REVERSAL.—In the case of an off-
8 set project that has undergone a partial reversal, the
9 Administrator shall render invalid offset allowances
10 issued for the offset project in direct proportion to
11 the degree of reversal.

12 (c) ACCOUNTABILITY FOR REVERSALS.—Liability
13 and responsibility for compensation of a reversal of a reg-
14 istered offset allowance under subsection (a) shall lie with
15 the person that submitted the offset allowance to the Ad-
16 ministrator for the purpose of compliance with section
17 1202(a), unless otherwise specified in a legally-binding
18 contract or agreement.

19 (d) COMPENSATION FOR REVERSALS.—The unmiti-
20 gated reversal of 1 or more registered offset allowances
21 that were submitted for the purpose of compliance with
22 section 1202(a) shall require the submission of—

23 (1) an equal number of offset allowances; or

1 (2) a combination of offset allowances and
2 emission allowances equal to the unmitigated rever-
3 sal.

4 (e) PROJECT TERMINATION.—A project developer
5 may cease participation in the domestic offset program es-
6 tablished under this subtitle at any time, on the condition
7 that any registered allowances awarded for increases in
8 sequestration have been compensated for by the project
9 developer through the submission of an equal number of
10 any combination of offset allowances and emission allow-
11 ances.

12 **SEC. 2407. EXAMINATIONS.**

13 (a) REGULATIONS.—Not later than 2 years after the
14 date of enactment of this Act, the Administrator, in con-
15 junction with the Secretary of Agriculture, shall promul-
16 gate regulations governing the examination and auditing
17 of offset allowances.

18 (b) REQUIREMENTS.—The regulations promulgated
19 under this section shall specifically consider—

20 (1) principles for initiating and conducting ex-
21 aminations;

22 (2) the type or scope of examinations, includ-
23 ing—

24 (A) reporting and recordkeeping; and

25 (B) site review or visitation;

1 (3) the rights and privileges of an examined
2 party; and

3 (4) the establishment of an appeal process.

4 **SEC. 2408. TIMING AND THE PROVISION OF OFFSET ALLOW-**
5 **ANCES.**

6 (a) INITIATION OF OFFSET PROJECTS.—An offset
7 project that commences operation on or after the effective
8 date of regulations promulgated under section 2407(a)
9 shall be eligible to generate offset allowances under this
10 subtitle if the offset project meets the other applicable re-
11 quirements of this subtitle.

12 (b) PRE-EXISTING PROJECTS.—

13 (1) IN GENERAL.—The Administrator may
14 allow for the transition into the Registry of offset
15 projects and banked offset allowances operating
16 under other Federal, State, or private reporting pro-
17 grams or registries as of the effective date of regula-
18 tions promulgated under section 2407(a) if the Ad-
19 ministrator determines that the offset projects and
20 banked offset allowances satisfy the applicable re-
21 quirements of this subtitle.

22 (2) EXCEPTION.—An offset allowance that is
23 expired, retired, or canceled under any other offset
24 program, registry, or market as of the effective date

1 of regulations promulgated under section 2407(a)
2 shall be ineligible for transition into the Registry.

3 **SEC. 2409. OFFSET REGISTRY.**

4 In addition to the requirements established by section
5 2404, an offset allowance registered under this subtitle
6 shall be accompanied in the Registry by—

7 (1) a verification report submitted pursuant to
8 section 2405(a);

9 (2) a reversal certification submitted pursuant
10 to section 2406(b); and

11 (3) subject to the requirements of this subtitle,
12 any other information identified by the Adminis-
13 trator as being necessary to achieve the purposes of
14 this subtitle.

15 **SEC. 2410. ENVIRONMENTAL CONSIDERATIONS.**

16 (a) COORDINATION TO MINIMIZE NEGATIVE EF-
17 FECTS.—In promulgating regulations under this subtitle,
18 the Administrator, in conjunction with the Secretary of
19 Agriculture, shall act (including by rejecting projects, if
20 necessary) to avoid or minimize, to the maximum extent
21 practicable, adverse effects on human health or the envi-
22 ronment resulting from the implementation of offset
23 projects under this subtitle.

24 (b) REPORT ON POSITIVE EFFECTS.—Not later than
25 2 years after the date of enactment of this Act, the Admin-

1 istrator, in conjunction with the Secretary of Agriculture,
2 shall submit to Congress a report detailing—

3 (1) the incentives, programs, or policies capable
4 of fostering improvements to human health or the
5 environment in conjunction with the implementation
6 of offset projects under this subtitle; and

7 (2) the cost of those incentives, programs, or
8 policies.

9 (c) USE OF NATIVE PLANT SPECIES IN OFFSET
10 PROJECTS.—Not later than 18 months after the date of
11 enactment of this Act, the Administrator, in conjunction
12 with the Secretary of Agriculture, shall promulgate regula-
13 tions for the selection, use, and storage of native and non-
14 native plant materials—

15 (1) to ensure native plant materials are given
16 primary consideration, in accordance with applicable
17 Department of Agriculture guidance for use of na-
18 tive plant materials;

19 (2) to prohibit the use of Federal- or State-des-
20 ignated noxious weeds; and

21 (3) to prohibit the use of a species listed by a
22 regional or State invasive plant council within the
23 applicable region or State.

1 **SEC. 2411. PROGRAM REVIEW.**

2 Not later than 5 years after the date of enactment
3 of this Act, and periodically thereafter, the Administrator,
4 in conjunction with the Secretary of Agriculture, shall re-
5 view and revise, as necessary to achieve the purposes of
6 this Act, the regulations promulgated under this subtitle.

7 **Subtitle E—International Emission**
8 **Allowances**

9 **SEC. 2501. USE OF INTERNATIONAL EMISSION ALLOW-**
10 **ANCES.**

11 The owner or operator of a covered facility may sat-
12 isfy up to 15 percent of the allowance submission require-
13 ment of the covered facility under section 1202(a) by sub-
14 mitting emission allowances obtained on a foreign green-
15 house gas emissions trading market, on the condition that
16 the Administrator has certified the market in accordance
17 with the regulations promulgated pursuant to section
18 2502(a).

19 **SEC. 2502. REGULATIONS.**

20 (a) IN GENERAL.—Not later than 2 years after the
21 date of enactment of this Act, the Administrator shall pro-
22 mulgate regulations, taking into consideration protocols
23 adopted in accordance with the United Nations Frame-
24 work Convention on Climate Change, done at New York
25 on May 9, 1992—

1 (1) approving the use under this subtitle of
2 emission allowances from such foreign greenhouse
3 gas emissions trading markets as the regulations
4 may establish; and

5 (2) permitting the use of international emission
6 allowances from the foreign country that issued the
7 emission allowances.

8 (b) REQUIREMENTS.—The regulations promulgated
9 under subsection (a) shall require that, in order to be ap-
10 proved for use under this subtitle—

11 (1) an emission allowance shall have been
12 issued by a foreign country pursuant to a govern-
13 mental program that imposes mandatory absolute
14 tonnage limits on greenhouse gas emissions from the
15 foreign country, or 1 or more industry sectors in
16 that country, pursuant to protocols described in sub-
17 section (a); and

18 (2) the governmental program be of comparable
19 stringency to the program established by this Act,
20 including comparable monitoring, compliance, and
21 enforcement.

22 **SEC. 2503. FACILITY CERTIFICATION.**

23 The owner or operator of a covered facility who sub-
24 mits an international emission allowance under this sub-

1 title shall certify that the allowance has not been retired
2 from use in the registry of the applicable foreign country.

3 **Subtitle F—Carbon Market**
4 **Efficiency Board**

5 **SEC. 2601. PURPOSES.**

6 The purposes of this subtitle are—

7 (1) to ensure that the imposition of limits on
8 greenhouse gas emissions will not significantly harm
9 the economy of the United States; and

10 (2) to establish a Carbon Market Efficiency
11 Board to ensure the implementation and maintenance
12 of a stable, functioning, and efficient market
13 in emission allowances.

14 **SEC. 2602. ESTABLISHMENT OF CARBON MARKET EFFI-**
15 **CIENCY BOARD.**

16 (a) **ESTABLISHMENT.**—There is established a board,
17 to be known as the Carbon Market Efficiency Board (re-
18 ferred to in this subtitle as the Board).

19 (b) **PURPOSES.**—The purposes of the Board are—

20 (1) to promote the achievement of the purposes
21 of this Act;

22 (2) to observe the national greenhouse gas
23 emission market and evaluate periods during which
24 the cost of emission allowances provided under Fed-

1 eral law might pose significant harm to the economy;
2 and

3 (3) to submit to the President and Congress
4 quarterly reports—

5 (A) describing—

6 (i) the status of the emission allow-
7 ance market established under this Act;

8 (ii) the economic cost and benefits of
9 the market, regional, industrial, and con-
10 sumer responses to the market;

11 (iii) where practicable, energy invest-
12 ment responses to the market;

13 (iv) any corrective measures that
14 should be carried out to relieve excessive
15 net costs of the market; and

16 (v) plans to compensate for those
17 measures to ensure that the long-term
18 emission-reduction goals of this Act are
19 achieved;

20 (B) that are timely and succinct to ensure
21 regular monitoring of market trends; and

22 (C) that are prepared independently by the
23 Board.

24 (c) MEMBERSHIP.—

1 (1) COMPOSITION.—The Board shall be com-
2 posed of—

3 (A) 7 members who are citizens of the
4 United States, to be appointed by the Presi-
5 dent, by and with the advice and consent of the
6 Senate; and

7 (B) an advisor who is a scientist with ex-
8 pertise in climate change and the effects of cli-
9 mate change on the environment, to be ap-
10 pointed by the President, by and with the ad-
11 vice and consent of the Senate.

12 (2) REQUIREMENTS.—In appointing members
13 of the Board under paragraph (1), the President
14 shall—

15 (A) ensure fair representation of the finan-
16 cial, agricultural, industrial, and commercial
17 sectors, and the geographical regions, of the
18 United States, and include a representative of
19 consumer interests;

20 (B) appoint not more than 1 member from
21 each such geographical region; and

22 (C) ensure that not more than 4 members
23 of the Board serving at any time are affiliated
24 with the same political party.

25 (3) COMPENSATION.—

1 (A) IN GENERAL.—A member of the Board
2 shall be compensated at a rate equal to the
3 daily equivalent of the annual rate of basic pay
4 prescribed for level II of the Executive Schedule
5 under section 5313 of title 5, United States
6 Code, for each day (including travel time) dur-
7 ing which the member is engaged in the per-
8 formance of the duties of the Board.

9 (B) CHAIRPERSON.—The Chairperson of
10 the Board shall be compensated at a rate equal
11 to the daily equivalent of the annual rate of
12 basic pay prescribed for level I of the Executive
13 Schedule under section 5312 of title 5, United
14 States Code, for each day (including travel
15 time) during which the member is engaged in
16 the performance of the duties of the Board.

17 (4) PROHIBITIONS.—

18 (A) CONFLICTS OF INTEREST.—An indi-
19 vidual employed by, or holding any official rela-
20 tionship (including any shareholder) with, any
21 entity engaged in the generation, transmission,
22 distribution, or sale of energy, an individual
23 who has any pecuniary interest in the genera-
24 tion, transmission, distribution, or sale of en-
25 ergy, or an individual who has a pecuniary in-

1 terest in the implementation of this Act, shall
2 not be appointed to the Board under this sub-
3 section.

4 (B) NO OTHER EMPLOYMENT.—A member
5 of the Board shall not hold any other employ-
6 ment during the term of service of the member.

7 (d) TERM; VACANCIES.—

8 (1) TERM.—

9 (A) IN GENERAL.—The term of a member
10 of the Board shall be 14 years, except that the
11 members first appointed to the Board shall be
12 appointed for terms in a manner that ensures
13 that—

14 (i) the term of not more than 1 mem-
15 ber shall expire during any 2-year period;
16 and

17 (ii) no member serves a term of more
18 than 14 years.

19 (B) OATH OF OFFICE.—A member shall
20 take the oath of office of the Board by not later
21 than 15 days after the date on which the mem-
22 ber is appointed under subsection (c)(1).

23 (C) REMOVAL.—

1 (i) IN GENERAL.—A member may be
2 removed from the Board on determination
3 of the President for cause.

4 (ii) NOTIFICATION.—The President
5 shall submit to Congress a notification of
6 any determination by the President to re-
7 move a member of the Board for cause
8 under clause (i).

9 (2) VACANCIES.—

10 (A) IN GENERAL.—A vacancy on the
11 Board—

12 (i) shall not affect the powers of the
13 Board; and

14 (ii) shall be filled in the same manner
15 as the original appointment was made.

16 (B) SERVICE UNTIL NEW APPOINTMENT.—

17 A member of the Board the term of whom has
18 expired or otherwise been terminated shall con-
19 tinue to serve until the date on which a replace-
20 ment is appointed under subparagraph (A)(ii),
21 if the President determines that service to be
22 appropriate.

23 (e) CHAIRPERSON AND VICE-CHAIRPERSON.—Of
24 members of the Board, the President shall appoint—

1 (1) 1 member to serve as Chairperson of the
2 Board for a term of 4 years; and

3 (2) 1 member to serve as Vice-Chairperson of
4 the Board for a term of 4 years.

5 (f) MEETINGS.—

6 (1) INITIAL MEETING.—The Board shall hold
7 the initial meeting of the Board as soon as prac-
8 ticable after the date on which all members have
9 been appointed to the Board under subsection
10 (c)(1).

11 (2) PRESIDING OFFICER.—A meeting of the
12 Board shall be presided over by—

13 (A) the Chairperson;

14 (B) in any case in which the Chairperson
15 is absent, the Vice-Chairperson; or

16 (C) in any case in which the Chairperson
17 and Vice-Chairperson are absent, a chairperson
18 pro tempore, to be elected by the members of
19 the Board.

20 (3) QUORUM.—Four members of the Board
21 shall constitute a quorum for a meeting of the
22 Board.

23 (4) OPEN MEETINGS.—The Board shall be sub-
24 ject to section 552b of title 5, United States Code

1 (commonly known as the Government in the Sun-
2 shine Act).

3 **SEC. 2603. DUTIES.**

4 (a) INFORMATION GATHERING.—

5 (1) AUTHORITY.—The Board shall collect and
6 analyze relevant market information to promote a
7 full understanding of the dynamics of the emission
8 allowance market established under this Act.

9 (2) INFORMATION.—The Board shall gather
10 such information as the Board determines to be ap-
11 propriate regarding the status of the market, includ-
12 ing information relating to—

13 (A) emission allowance allocation and
14 availability;

15 (B) the price of emission allowances;

16 (C) macro- and micro-economic effects of
17 unexpected significant increases and decreases
18 in emission allowance prices, or shifts in the
19 emission allowance market, should those in-
20 creases, decreases, or shifts occur;

21 (D) economic effect thresholds that could
22 warrant implementation of cost relief measures
23 described in section 2604(a) after the initial 2-
24 year period described in subsection (d)(2);

1 (E) in the event any cost relief measures
2 described in section 2604(a) are taken, the ef-
3 fects of those measures on the market;

4 (F) maximum levels of cost relief measures
5 that are necessary to achieve avoidance of eco-
6 nomic harm and preserve achievement of the
7 purposes of this Act; and

8 (G) the success of the market in promoting
9 achievement of the purposes of this Act.

10 (b) TREATMENT AS PRIMARY ACTIVITY.—

11 (1) IN GENERAL.—During the initial 2-year pe-
12 riod of operation of the Board, information gath-
13 ering under subsection (a) shall be the primary ac-
14 tivity of the Board.

15 (2) SUBSEQUENT AUTHORITY.—After the 2-
16 year period described in paragraph (1), the Board
17 shall assume authority to implement the cost-relief
18 measures described in section 2604(a).

19 (c) STUDY.—

20 (1) IN GENERAL.—During the 2-year period be-
21 ginning on the date on which the emission allowance
22 market established under this Act begins operation,
23 the Board shall conduct a study of other markets for
24 tradeable permits to emit covered greenhouse gases.

1 (2) REPORT.—Not later than 180 days after
2 the beginning of the period described in paragraph
3 (1), the Board shall submit to Congress a report de-
4 scribing the status of the market, specifically with
5 respect to volatility within the market and the aver-
6 age price of emission allowances during that 180-day
7 period.

8 (d) EMPLOYMENT OF COST RELIEF MEASURES.—

9 (1) IN GENERAL.—If the Board determines
10 that the emission allowance market established
11 under this Act poses a significant harm to the econ-
12 omy of the United States, the Board shall carry out
13 such cost relief measures relating to that market as
14 the Board determines to be appropriate under sec-
15 tion 2604(a).

16 (2) INITIAL PERIOD.—During the 2-year period
17 beginning on the date on which the emission allow-
18 ance market established under this Act begins oper-
19 ation, if the Board determines that the average daily
20 closing price of emission allowances during a 180-
21 day period exceeds the upper range of the estimate
22 provided under section 2605, the Board shall—

23 (A) increase the quantity of emission al-
24 lowances that covered facilities may borrow

1 from the prescribed allocations of the covered
2 facilities for future years; and

3 (B) take subsequent action as described in
4 section 2604(a)(2).

5 (3) REQUIREMENTS.—Any action carried out
6 pursuant to this subsection shall be subject to the
7 requirements of section 2604(a)(3)(B).

8 (e) REPORTS.—The Board shall submit to the Presi-
9 dent and Congress quarterly reports—

10 (1) describing the status of the emission allow-
11 ance market established under this Act, the eco-
12 nomic effects of the market, regional, industrial, and
13 consumer responses to the market, energy invest-
14 ment responses to the market, any corrective meas-
15 ures that should be carried out to relieve excessive
16 costs of the market, and plans to compensate for
17 those measures; and

18 (2) that are prepared independently by the
19 Board, and not in partnership with Federal agen-
20 cies.

21 **SEC. 2604. POWERS.**

22 (a) COST RELIEF MEASURES.—

23 (1) IN GENERAL.—Beginning on the day after
24 the date of expiration of the 2-year period described
25 in section 2603(b), the Board may carry out 1 or

1 more of the following cost relief measures to ensure
2 functioning, stable, and efficient markets for emis-
3 sion allowances:

4 (A) Increase the quantity of emission al-
5 lowances that covered facilities may borrow
6 from the prescribed allocations of the covered
7 facilities for future years.

8 (B) Expand the period during which a cov-
9 ered facility may repay the Administrator for
10 an emission allowance as described in subpara-
11 graph (A).

12 (C) Lower the interest rate at which an
13 emission allowance may be borrowed as de-
14 scribed in subparagraph (A).

15 (D) Increase the quantity of emission al-
16 lowances obtained on a foreign greenhouse gas
17 emissions trading market that the owner or op-
18 erator of any covered facility may use to satisfy
19 the allowance submission requirement of the
20 covered facility under section 1202(a), on the
21 condition that the Administrator has certified
22 the market in accordance with the regulations
23 promulgated pursuant to section 2502(a).

24 (E) Increase the quantity of offset allow-
25 ances generated in accordance with subtitle D

1 that the owner or operator of any covered facil-
2 ity may use to satisfy the total allowance sub-
3 mission requirement of the covered facility
4 under section 1202(a).

5 (F) Expand the total quantity of emission
6 allowances made available to all covered facili-
7 ties at any given time by borrowing against the
8 total allowable quantity of emission allowances
9 to be provided for future years.

10 (2) SUBSEQUENT ACTIONS.—On determination
11 by the Board to carry out a cost relief measure pur-
12 suant to paragraph (1), the Board shall—

13 (A) allow the cost relief measure to be
14 used only during the applicable allocation year;

15 (B) exercise the cost relief measure incre-
16 mentally, and only as needed to avoid signifi-
17 cant economic harm during the applicable allo-
18 cation year;

19 (C) specify the terms of the relief to be
20 achieved using the cost relief measure, includ-
21 ing requirements for entity-level or national
22 market-level compensation to be achieved by a
23 specific date or within a specific time period;

24 (D) in accordance with section 2603(e),
25 submit to the President and Congress a report

1 describing the actions carried out by the Board
2 and recommendations for the terms under
3 which the cost relief measure should be author-
4 ized by Congress and carried out by Federal en-
5 tities; and

6 (E) evaluate, at the end of the applicable
7 allocation year, actions that need to be carried
8 out during subsequent years to compensate for
9 any cost relief measure carried out during the
10 applicable allocation year.

11 (3) ACTION ON EXPANSION OF BORROWING.—

12 (A) IN GENERAL.—If the Board carries
13 out a cost relief measure pursuant to paragraph
14 (1) that results in the expansion of borrowing
15 of emission allowances under this Act, and if
16 the average daily closing price of emission al-
17 lowances for the 180-day period beginning on
18 the date on which borrowing is so expanded ex-
19 ceeds the upper range of the estimate provided
20 under section 2605, the Board shall increase
21 the quantity of emission allowances available for
22 the applicable allocation year in accordance
23 with this paragraph.

1 (B) REQUIREMENTS.—An increase in the
2 quantity of emission allowances under subpara-
3 graph (A) shall—

4 (i) apply to all covered facilities;

5 (ii) be allocated in accordance with
6 the applicable formulas and procedures es-
7 tablished under this Act;

8 (iii) be equal to not more than 5 per-
9 cent of the total quantity of emission al-
10 lowances otherwise available for the appli-
11 cable allocation year under this Act;

12 (iv) remain in effect only for the ap-
13 plicable allocation year;

14 (v) specify the date by which the in-
15 crease shall be repaid by covered facilities
16 through a proportionate reduction of emis-
17 sion allowances available for subsequent al-
18 location years; and

19 (vi) require the repayment under
20 clause (v) to be made by not later than the
21 date that is 15 years after the date on
22 which the increase is provided.

23 (b) ASSESSMENTS.—Not more frequently than semi-
24 annually, the Board may levy on owners and operators of
25 covered facilities an assessment sufficient to pay the esti-

1 mated expenses of the Board and the salaries of members
2 of and employees of the Board during the 180-day period
3 beginning on the date on which the assessment is levied,
4 taking into account any deficit carried forward from the
5 preceding 180-day period.

6 (c) LIMITATIONS.—Nothing in this section gives the
7 Board the authority—

8 (1) to consider or prescribe entity-level petitions
9 for relief from the costs of an emission allowance al-
10 location or trading program established under Fed-
11 eral law;

12 (2) to carry out any investigative or punitive
13 process under the jurisdiction of any Federal or
14 State court;

15 (3) to interfere with, modify, or adjust any
16 emission allowance allocation scheme established
17 under Federal law; or

18 (4) to modify the total quantity of allowances
19 issued under this Act for the period of calendar
20 years 2012 through 2050.

21 **SEC. 2605. ESTIMATE OF COSTS TO ECONOMY OF LIMITING**
22 **GREENHOUSE GAS EMISSIONS.**

23 Not later than July 1, 2014, the Director of the Con-
24 gressional Budget Office, using economic and scientific

1 analyses, shall submit to Congress a report that de-
2 scribes—

3 (1) the projected price range at which emission
4 allowances are expected to trade during the 2-year
5 period of the initial greenhouse gas emission market
6 established under Federal law; and

7 (2) the projected impact of that market on the
8 economy of the United States.